



The T.C. Jacoby Weekly Market Report

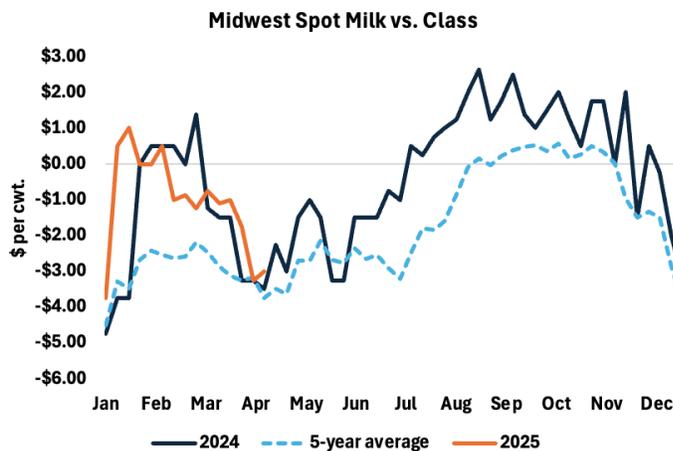
WEEK ENDING April 11, 2025

By Monica Ganley, Market Analyst for the Daily Dairy Report
 Monica@DailyDairyReport.com



CME Spot Market for the Week			WHEY		
			Avg Price	Qty Traded	4 wk Trend
4/7/2025 to 4/11/2025			\$ 0.4830	11	
CHEESE BLOCKS			CHEESE BARRELS		
Avg Price	Qty Traded	4 wk Trend	Avg Price	Qty Traded	4 wk Trend
\$ 1.7130	27		\$ 1.7585	11	
BUTTER			NON-FAT		
Avg Price	Qty Traded	4 wk Trend	Avg Price	Qty Traded	4 wk Trend
\$ 2.3205	30		\$ 1.1605	10	

Spring has sprung and the resurgence of allergies isn't the only sign of the season. Milk volumes are also expanding in most regions as the spring flush moves across the country. Seasonal increases are compounding milk volumes that are growing year over year both in liquid terms and in component values.



As a result, milk supplies are plentiful in most parts of the U.S. Demand from bottlers has generally been upbeat, especially as many educational institutions are wrapping up their spring holidays. But even with steady Class I demand, there appears to be plenty of milk available for processors. This week in the Central region, spot milk for processing was available at an average of \$3 below the Class III price, similar to prior week.

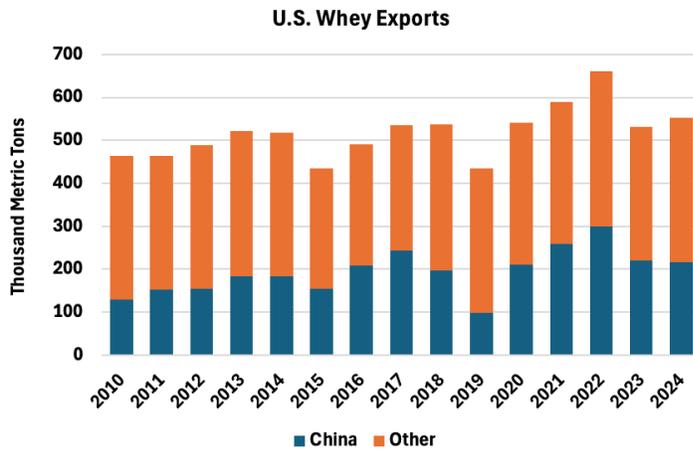
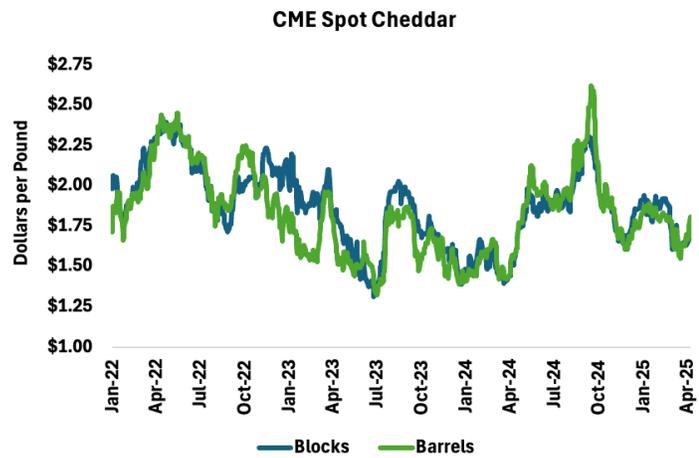
While milk supplies are available, processing schedules are also moving forward at a steady clip. *Dairy Market News*

reported this week that new cheese facilities in the southern part of the Central region are demanding more milk as they ramp up production. Rising cheese output this year has long been a topic of conversation in the industry, but if supplies are indeed heavier, the markets do not appear concerned. Spot prices at the CME for both Cheddar blocks and barrels moved upward every day this week. Blocks

added 10.5¢ as 27 loads moved, lifting the price to \$1.745/lb. on Friday. Meanwhile, barrels gained 11¢, finishing the week at \$1.805/lb. the first-time prices have broken the \$1.80 threshold since February.

Market participants indicate that domestic cheese demand has at least been steady, fueled mostly by retail sales. The foodservice channel remains a challenge and with the level of economic uncertainty growing, it seems likely that consumers will continue to eschew restaurant visits in

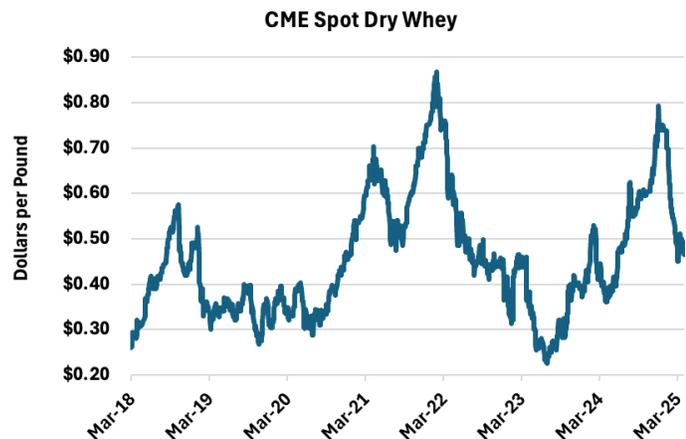
favor of the often-more-affordable option to eat in. The tariff whiplash of the last few days has created anxiety for cheese manufacturers and exporters, though tangible impacts have yet to be seen.

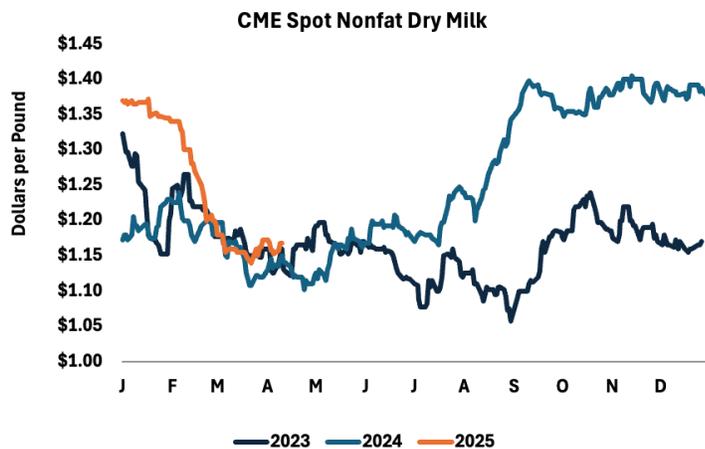


Export concerns are more poignant for whey manufacturers who are warily watching the deterioration of the trading relationship with China. According to USDA, about 40% of U.S. whey exports are sent to China and the market has become a critical outlet for products like sweet whey powder and whey permeate. Because U.S. whey products are critical to the country's pork sector, they have historically enjoyed some privileged treatment during trade disputes. But as the current conflict deteriorates it seems

unlikely that whey exports will escape unscathed. The spot price for dry whey at the CME lost 2.5¢ this week, falling to 46.5¢ per pound as 11 loads traded hands.

Nonfat dry milk (NDM) fared somewhat better, eking out a penny increase during the week that brought the spot price to \$1.1675/lb. Even though the availability of condensed skim has risen with the increase in milk supplies, stakeholders indicate that demand has also perked up and sales to both domestic and international consumers have improved. U.S. product maintains an edge over international suppliers, a dynamic which has helped to generate additional interest among buyers. But the uncertainty caused by the tariff conflict may also dampen some of this interest.





On the other side of the Class IV complex, butter production remains strong. Cream supplies are still inexpensive and readily available. Butter manufacturers are trying to capitalize on the availability of cream to keep churns running and stock product. However, many are now indicating that warehouses are getting full. Domestic demand has been positive, but with holiday purchases mostly in the rearview mirror, demand seems likely to slow in the coming weeks. U.S. butter remains at a sharp discount to international competitors which is likely to continue generating some export

sales over the near term.

Even as cream is long and inventories build, the spot butter market seems to have found traction. Prices moved up during every day of trading this week, ultimately added 5.25¢ to the spot price. At the conclusion of Friday’s session, the spot butter price was \$2.3475/lb. Market participants were not shy as a total of 30 loads were exchanged during the week, including 24 on Thursday alone, when the price moved up by 2¢.

USDA released its monthly World Agricultural Supply and Demand Estimates (WASDE) report on Thursday to little fanfare. The agency left production estimates for corn and soybeans unchanged, which is often the case with the April report. However, USDA did make several adjustments to the utilization side of the balance sheet, ultimately resulting in a larger reduction in corn ending stocks than the trade had projected. On the soybean balance sheet USDA increased crushing which translated into a larger projected volume of soybean meal and caused the average farm price for soybean meal to drop \$10 to \$300/ton. Despite further inflammation in the trade war with China, soybeans have clawed back last week’s losses over the last few days. On Thursday, JUL25 soybeans settled at \$10.3675/bu. with further increases seen during Friday’s trade.